



DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT

Regulatory Commission of Alaska

Sean Parnell, Governor
Emil Notti, Commissioner
Robert M. Pickett, Chairman

January 8, 2010

In reply refer to: Finance Section
File: PC39-1003CCC
LO#: L0900640

Mary Aldeguer
Clerk
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Dear Ms. Aldeguer:

On January 7, 2010, the Commission approved updated **Permanent** PCE levels in cents per kilowatt-hour (¢/kWh) for Unalaska, City of (UNALASKA), for the listed classes of customers as follows:

Residential	12.82¢
Small General	12.82¢
Large General	12.82¢
Industrial	12.58¢

The revised PCE levels are due to Commission approval of UNALASKA's Fuel Cost Update submitted on December 18, 2009. The new PCE levels are effective for billings rendered after January 7, 2010. For your reference, copies of the Commission Staff's recommendations and schedules are attached as an Appendix.

The Commission reminds UNALASKA of its continued obligation under the PCE legislation to provide its customers with the notice specified in AS 42.45.120 or similar notice approved by the Alaska Energy Authority.

The Commission also reminds UNALASKA of its obligation under 3 AAC 52.620 and 3 AAC 52.640 to notify the Commission of any change in its rates, surcharges, and/or efficiency of operation and advises UNALASKA that failure to comply with those requirements could jeopardize its continued participation in the program.

Letter Order-UNALASKA
Page 2 of 2
January 8, 2010

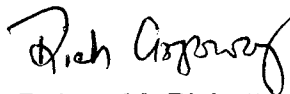
If UNALASKA believes that the calculation used to establish the PCE level in this Letter Order is incorrect, it should seek reconsideration setting forth why it believes the calculation is in error. Any reconsideration request must be submitted within 15 days of the date of this Letter Order.

If you have any questions regarding the calculation of PCE levels, please contact Utility Financial Analyst John White at (907) 276-6222.

BY DIRECTION OF THE COMMISSION

Sincerely,

REGULATORY COMMISSION OF ALASKA


for Robert M. Pickett
Chairman

cc: Jeffery Williams, Alaska Energy Authority

STATE OF ALASKA

**DEPARTMENT OF COMMERCE,
COMMUNITY & ECONOMIC DEVELOPMENT
REGULATORY COMMISSION OF ALASKA**

SEAN PARNELL, GOVERNOR

701 WEST EIGHT AVENUE, SUITE 300
ANCHORAGE, ALASKA 99501-3469
PHONE: (907) 276-6222
FAX: (907) 276-0160
TTY: (907) 276-4533
WEBSITE: <http://rca.alaska.gov>

DATE: January 8, 2010

INVOICE#: 39-1003CCC

DATE DUE: February 7, 2010

Mary Aldeguer
Clerk
Unalaska, City of
P.O. Box 610
Unalaska, AK 99685-0610

Fee for Commission Staff analysis and recommendations Re:

**FILE #: PC39-1003CCC
LO #: L0900640**

Fuel Cost Update under the Power Cost Equalization Program

Amount Due :	<u>\$ 39</u>
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TOTAL AMOUNT DUE:	<u>\$ 39</u>
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MAKE CHECK PAYABLE TO: **STATE OF ALASKA**

PLEASE REMIT CHECK AND COPY OF THIS INVOICE TO:

**REGULATORY COMMISSION OF ALASKA
701 W. 8TH AVE., SUITE 300
ANCHORAGE, AK 99501-3469**

If you have any questions, please contact Joyce McGowan at (907) 263-2132 or
joyce.mcgowan@alaska.gov.

Unalaska, City of

FILE #: PC39-1003CCC

Amount Due: \$ 39

LO #: L0900640

Check Number _____

Please tear along dotted line and submit payment with bottom portion. Thank you.

Power Cost Memorandum Fuel Cost Update

Date: January 7, 2010

Utility Name (Cert. No.) UNALASKA, CITY of	Utility File No. PC39-1003CCC	Date Filed: December 7, 2009
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PCE LEVEL SUMMARY	Previously Approved PC39-1003BBB	Staff Recommended PC39-1003CCC
Class Rate	<u>Date Approved:</u> December 17, 2009	<u>Effective Date</u> January 8, 2010
Residential	\$0.0929	\$0.1282
Small General	\$0.0929	\$0.1282
Large General	\$0.0929	\$0.1282
Industrial	\$0.0929	\$0.1258
<div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent <input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent </div>		

Prior Fuel Purchase Price: <u>\$ 1.80000</u>	New Fuel Purchase Price: <u>\$ 2.29520</u>
<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	<input checked="" type="checkbox"/> Actual <input type="checkbox"/> Weighted
Delivery Charge: <u>NA</u>	Surcharge Change: Previous <u>\$0.027110</u> Updated <u>\$0.027110</u>

Signed: _____

Kevin AufDerHeide

Kevin AufDerHeide

Utility Financial Analyst

Commission decision re. this recommendation :

Pickett
Giard
Lisankie
Price
Wilson

Date (if different from 1/7/10)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
	<i>[Signature]</i>		
	<i>[Signature]</i>		
	<i>[Signature]</i>		
	<i>[Signature]</i>		

Special Instructions to Staff:

*If this column is initialed, Staff will contact the Commissioner for the statement; otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

CITY OF UNALASKA

POWER COST EQUALIZATION CALCULATION
BASED ON TEST YEAR ENDING JUNE 30, 2003
Fuel Cost Update

		PC39-1003BBB	PC39-1003CCC	
		Prior Commission Approval	Utility Request	Staff Recommended
A.	Total KWH Generated	28,508,340	28,508,340	28,508,340
B.	Total KWH Sold (Appendix 2)	27,309,793	27,309,793	27,309,793
C.	Total Non-Fuel Costs (Appendix 2)	2,823,507	2,823,507	2,823,507
D.	Non-Fuel Cost/KWH (C / B)	\$0.1034	\$0.1034	\$0.1034
E.	Total Fuel Costs (Appendix 2)	3,703,715	4,717,276	4,717,276
F.	Fuel Costs/KWH (E / B)	\$0.1356	\$0.1727	\$0.1727
G.	Eligible Costs/KWH (D + F)	\$0.2390	\$0.2761	\$0.2761
H.	Eligible Cost/KWH (G) less base rate in effect	\$0.0978	\$0.1349	\$0.1349
I.	Lesser of (H) or 85.88 cents/kWh	\$0.0978	\$0.1349	\$0.1349
J.	Average Class Rates (Appendix 3)			
	Residential	\$0.2159	\$0.2159	\$0.2159
	Small General	\$0.1874	\$0.1874	\$0.1874
	Large General	\$0.1559	\$0.1559	\$0.1559
	Industrial	\$0.1258	\$0.1258	\$0.1258
Class Power Cost Equalization Per kWh Payable				
	Lesser of: (I) x 95%, or (J)			
K.	Residential	\$0.0929	\$0.1282	\$0.1282
	Small General	\$0.0929	\$0.1282	\$0.1282
	Large General	\$0.0929	\$0.1282	\$0.1282
	Industrial	\$0.0929	\$0.1258	\$0.1258
	Funding Level in Effect	100%	100%	100%
L.				
	Residential	\$0.0929	\$0.1282	\$0.1282
	Small General	\$0.0929	\$0.1282	\$0.1282
	Large General	\$0.0929	\$0.1282	\$0.1282
	Industrial	\$0.0929	\$0.1258	\$0.1258

CITY OF UNALASKA

SCHEDULE OF ELIGIBLE POWER COSTS, SALES AND EFFICIENCY
BASED ON TEST YEAR ENDING JUNE 30, 2003

Fuel Cost Update

			PC39-1003BBB	PC39-1003CCC	
			Prior Commission Approval	Per Utility	Per Staff
Non-Fuel Costs:					
A.	Personnel Costs		1,647,324	1,647,324	1,647,324
B.	Power Plant Parts & Supplies		1,150	1,150	1,150
C.	Repairs and Maintenance		306,845	306,845	306,845
D.	General and Administrative		256,187	256,187	256,187
E.	Depreciation & Amortization		578,384	578,384	578,384
F.	Interest Expense		10,610	10,610	10,610
G.	Other (Describe)	Taxes	23,008	23,008	23,008
H.	Total Non-Fuel Costs		2,823,507	2,823,507	2,823,507
Fuel Costs:					
I.	Gallons Consumed for Electric Generation		2,046,771	2,046,771	2,046,771
J.	Price of Fuel: (cts per gal.) Weighted Average		\$1.80000	\$ 2.29520	\$2.29520
K.	Total Cost of Fuel		\$3,684,188	\$4,697,749	\$4,697,749
L.	Total Cost of Purchased Power		\$19,527	\$19,527	\$19,527
M.	TOTAL fuel cost & power purchase		\$3,703,715	\$4,717,276	\$4,717,276
O.	KWH Sales	Eff. Std.	27,309,793	27,309,793	27,309,793
P.	Fuel Efficiency (O / I)	≥ 12.00	13.34	13.34	13.34
Q.	Line Loss & Station Service	≤ 12%	4.20%	4.20%	4.20%

CITY OF UNALASKA

Surcharge 0.027110

Calculation of Average Class Rate per kWh

Rate Schedule: Residential

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.330000	0.027110	0.357110	178.56	0.357110	0.2159
500				178.56	0.35711	0.2159
TOTAL (A)						(E)

Rate Schedule: Small General

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.301500	0.027110	0.328610	164.31	0.328610	0.1874
500				164.31	0.32861	0.1874
TOTAL (A)						(E)

Rate Schedule: Large General

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.270000	0.027110	0.297110	148.56	0.297110	0.1559
500				148.56	0.29711	0.1559
TOTAL (A)						(E)

Rate Schedule: Industrial

(1) kWh by Block	(2) Rate (\$/kWh)	(3) Surcharge If Applicable (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$.1412/kWh
500	0.239900	0.027110	0.267010	133.51	0.267010	0.1258
500				133.51	0.26701	0.1258
TOTAL (A)						(E)

Fuel Price= 2.2952
Surcharge= \$0.027110